



# **PSC NEWS**

## **Missouri Public Service Commission**

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FY-03-47

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### **PSC APPROVES AGREEMENT IN TELEPHONE MERGER CASE**

Jefferson City (October 25, 2002)---The Missouri Public Service Commission has approved an agreement reached by parties in a telephone merger case between the Northeast Missouri Rural Telephone Company (Northeast) and Modern Telecommunications Company (Modern). As a result, Modern will merge into Northeast.

Northeast, a telephone cooperative, serves 11 exchanges in northeast Missouri. Modern, a wholly-owned subsidiary of Northeast, serves three northeast Missouri exchanges.

The agreement approved by the Commission was submitted by Northeast, Modern, the PSC Staff and the Office of the Public Counsel. The Office of the Public Counsel is a separate state agency which represents the general public in matters before the Public Service Commission.

As part of the agreement, Northeast will honor Modern's promise to not seek to recover the acquisition premium from its members (the acquisition premium is the amount, if any, by which the price paid for an asset exceeds its book value). In addition, Northeast has agreed to forego recovery of any incremental costs of the proposed merger in future rate cases.

The Commission's order approving the agreement states: "The Commission has considered the settlement agreement of the parties as contained in the Stipulation filed herein, together with Staff's (PSC Staff) suggestions, and concludes that the settlement agreement is just and reasonable and should be approved."

Northeast Missouri Rural Telephone Company provides service to approximately 4,700 access lines in Missouri. Modern Telecommunications Company provides service to approximately 4,400 access lines in the state.

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Case No. TM-2002-465